

1 EXCERPT 9/28/04 - JURY CHARGE

2 THE COURT: PLEASE BE SEATED, LADIES AND  
3 GENTLEMEN.

4 LADIES AND GENTLEMEN, AT THIS TIME IT'S MY DUTY  
5 TO EXPLAIN TO YOU THE LEGAL PRINCIPLES THAT APPLY IN  
6 THIS CASE. AND IT'S YOUR DUTY TO APPLY THESE  
7 PRINCIPLES AS I EXPLAIN THEM TO YOU. YOU'RE THE JUDGES  
8 OF THE FACTS IN THE CASE, IT'S UP TO YOU TO DETERMINE  
9 WHAT THE FACTS ARE. I'M THE JUDGE OF THE LAW, IT'S UP  
10 TO ME TO EXPLAIN TO YOU WHAT THE LAW IS AND THEN IT'S  
11 YOUR JOB TO APPLY THE FACTS AS YOU DETERMINE THEM TO  
12 BE, TO THE LAW AS I EXPLAIN IT TO YOU.

13 AND IN CONSIDERING MY EXPLANATION OF THE LAW,  
14 YOU OUGHT TO CONSIDER WHAT I'M ABOUT TO TELL YOU IN ITS  
15 ENTIRETY, IN OTHER WORDS, DON'T PICK OUT ONE OR TWO  
16 PRINCIPLES AND FOCUS ON THEM TO THE EXCLUSION OF  
17 EVERYTHING ELSE. YOU HAVE TO CONSIDER THESE LEGAL  
18 PRINCIPLES IN THE CONTEXT OF MY OVERALL EXPLANATION OF  
19 THE LAW THAT APPLIES IN THIS CASE.

20 AS I'M SURE YOU KNOW BY THIS TIME, THIS IS A  
21 LAWSUIT BROUGHT BY ARENDI USA, INCORPORATED AND ARENDI  
22 HOLDINGS LIMITED AGAINST MICROSOFT CORPORATION. AND IT  
23 ALSO INVOLVES A COUNTERSUIT BY MICROSOFT AGAINST  
24 ARENDI. SINCE ARENDI OR THE ARENDI COMPANIES ARE THE  
25 ONES THAT BROUGHT THIS SUIT, I MAY REFER TO THEM FROM

1       TIME TO TIME AS THE PLAINTIFFS OR USUALLY AS ARENDI.  
2       AND SINCE MICROSOFT IS THE PARTY AGAINST WHOM THE SUIT  
3       HAS BEEN BROUGHT, I MAY REFER TO MICROSOFT AS THE  
4       DEFENDANT OR USUALLY JUST MICROSOFT.

5               AS YOU KNOW, ARENDI BROUGHT THIS SUIT FOR PATENT  
6       INFRINGEMENT. AND ARENDI ALLEGES THAT MICROSOFT HAS  
7       INFRINGEMENT SEVERAL CLAIMS OF ARENDI'S PATENT, WHICH IS  
8       KNOW AS THE '853 PATENT, THAT IS THE NUMBER DESIGNATION  
9       ON THE PATENT AND THE PATENT IS IN EVIDENCE FOR YOU TO  
10      CONSIDER.

11             ARENDI ALLEGES THAT MICROSOFT HAS INFRINGED  
12      SEVERAL CLAIMS IN THAT PATENT BY INCLUDING A SMART TAGS  
13      FEATURE IN MICROSOFT'S OFFICE XP AND MICROSOFT OFFICE  
14      2003 SOFTWARE, WHICH IS USED BY MICROSOFT AND ITS  
15      CUSTOMERS WHO BUY THE SOFTWARE. THE PATENT CLAIMS THAT  
16      ARENDI ALLEGES HAVE BEEN INFRINGED ARE REFERRED TO AS  
17      THE ASSERTED CLAIMS. IN OTHER WORDS, THERE ARE CERTAIN  
18      CLAIMS IN THAT PATENT THAT ARE AT ISSUE IN THIS CASE  
19      AND OTHERS REALLY ARE NOT AT ISSUE IN THE CASE. WE ARE  
20      FOCUSING ON THE CLAIMS THAT ARE AT ISSUE, THOSE ARE THE  
21      ASSERTED CLAIMS.

22             MICROSOFT DENIES THAT THE USE OF SMART TAGS  
23      INFRINGEMENTS THE ASSERTED CLAIMS OF THE '853 PATENT AND IN  
24      ADDITION, IN ITS COUNTERSUIT OR WHAT ARE SOMETIMES  
25      CALLED COUNTERCLAIMS, MICROSOFT ALLEGES THAT THE

1        ASSERTED CLAIMS ARE INVALID BECAUSE THEY DO NOT  
2        DESCRIBE A NEW OR NOVEL INVENTION. TO PUT IT ANOTHER  
3        WAY, MICROSOFT CONTENDS THAT THE PROCESS OR METHOD  
4        DESCRIBED IN THE ASSERTED CLAIMS OF THE ARENDI PATENT  
5        ARE NOT ENTITLED TO PATENT PROTECTION BECAUSE THEY'RE  
6        ALREADY KNOWN TO OR USED BY OTHERS WHEN THE PATENT WAS  
7        DEVELOPED BY ARENDI.

8                NOW, THE LAW IMPOSES ON A PARTY THAT BRINGS A  
9        LAWSUIT OR A COUNTER SUIT, THE RESPONSIBILITY OR BURDEN  
10       OF PROVING THE THINGS THAT IT ALLEGES. IT IS NOT UP TO  
11       THE OTHER PARTY TO DISPROVE WHAT THE PARTY BRINGING THE  
12       SUIT OR COUNTER SUIT ALLEGES; IT IS UP TO THE PARTY WHO  
13       BROUGHT THE SUIT OR THE COUNTERSUIT, TO PROVE THE  
14       THINGS THAT IT'S CONTENDING.

15               AND IN PATENT CASES THE BURDEN OF PROOF THAT  
16       APPLIES TO ALLEGATIONS OF INFRINGEMENT MADE BY A  
17       PLAINTIFF IS DIFFERENT FROM THE BURDEN OF PROOF THAT  
18       APPLIES TO ALLEGATIONS OF INVALIDITY THAT ARE MADE BY A  
19       DEFENDANT. A PLAINTIFF ALLEGING THAT A DEFENDANT  
20       INFRINGED ITS PATENT MUST PARAGRAPH INFRINGEMENT BY  
21       WHAT'S CALLED A FAIR PREPONDERANCE OF THE EVIDENCE.  
22       THAT MEANS THAT THE PLAINTIFF MUST SHOW THAT WHAT IT  
23       SEEKS TO PROVE IS MORE PROBABLY TRUE THAN NOT TRUE. IN  
24       OTHER WORDS, THAT IT'S MORE PROBABLY SO THAT THE  
25       EVIDENCE SHOWS THAT IT'S MORE PROBABLY SO THAT

1 MICROSOFT INFRINGED ARENDI'S PATENT THAN NOT.

2 ON THE OTHER HAND, A DEFENDANT ALLEGING THAT A  
3 PLAINTIFF'S PATENT IS INVALID, MUST PROVE INVALIDITY BY  
4 CLEAR AND CONVINCING EVIDENCE. THAT MEANS THAT THE  
5 DEFENDANT MUST SHOW THAT IT IS HIGHLY PROBABLE THAT  
6 WHAT IT IS ALLEGING IS TRUE. SO IN THIS CASE  
7 MICROSOFT, TO ESTABLISH INVALIDITY, WOULD HAVE TO  
8 CONVINCE YOU BY CLEAR AND CONVINCING EVIDENCE THAT THE  
9 ARENDI PATENT OR CLAIMS ARE INVALID.

10 THE CLEAR AND CONVINCING EVIDENCE STANDARD,  
11 OBVIOUSLY INVOLVES A GREATER DEGREE OF PERSUASION THAN  
12 IS NECESSARY TO MEET THE FAIR PREPONDERANCE OF THE  
13 EVIDENCE STANDARD, BUT IT DOES NOT REQUIRE PROOF TO AN  
14 ABSOLUTE CERTAINTY. AND THE REASON WHY A HIGHER  
15 STANDARD OF PROOF APPLIES TO ALLEGATIONS OF INVALIDITY  
16 IS THAT BECAUSE PATENTS ARE ISSUED BY THE UNITED STATES  
17 PATENT AND TRADEMARK OFFICE, AFTER BEING REVIEWED BY A  
18 TRAINED PATENT EXAMINER, THEY ARE PRESUMED TO BE VALID.

19 BUT, BECAUSE A PATENT EXAMINER IS HUMAN AND CAN  
20 MAKE MISTAKES AND BECAUSE A PATENT EXAMINER MAY NOT  
21 HAVE HAD ALL OF THE INFORMATION RELEVANT TO THE  
22 APPLICATION, MAY NOT HAVE BEEN AWARE, FOR EXAMPLE, OF  
23 ALL OF THE PRIOR ART, THE PRESUMPTION OF VALIDITY CAN  
24 BE REBUTTED OR OVERCOME BY CLEAR AND CONVINCING  
25 EVIDENCE THAT THE PATENT IS INVALID.

1           NOW, DON'T CONFUSE THE BURDEN OF PROVING  
2           SOMETHING EITHER BY A FAIR PREPONDERANCE OF THE  
3           EVIDENCE OR BY CLEAR AND CONVINCING EVIDENCE WITH THE  
4           BURDEN OF PROVING SOMETHING BEYOND A REASONABLE DOUBT.  
5           I'M SURE IF ANY OF YOU HAVE EVER SAT AS JURORS ON A  
6           CRIMINAL CASE OR IF YOU WATCH, IT USED TO BE PERRY  
7           MASON, I DON'T KNOW WHAT IT IS NOW, BUT IF YOU WATCH  
8           THESE SHOWS ON TELEVISION, YOU KNOW THAT IN A CRIMINAL  
9           CASE, THE PROSECUTION MUST PROVE THE DEFENDANT GUILTY  
10          BEYOND A REASONABLE DOUBT. THAT'S A VERY STRICT  
11          STANDARD. IT'S STRICTER THAN EITHER OF THE STANDARDS  
12          THAT I HAVE DESCRIBED.

13          THIS IS NOT A CRIMINAL CASE, SO NEITHER PARTY  
14          HAS TO PROVE ANYTHING BEYOND A REASONABLE DOUBT. WHAT  
15          ARENDI HAS TO PROVE, ARENDI HAS TO PROVE INFRINGEMENT  
16          BY A PREPONDERANCE OF THE EVIDENCE. AND MICROSOFT HAS  
17          TO PROVE INVALIDITY BY CLEAR AND CONVINCING EVIDENCE OR  
18          THAT IT IS HIGHLY PROBABLE THAT WHAT IT'S CLAIMING IS  
19          TRUE, THAT THE PATENT IS INVALID.

20          NOW, I'LL HAVE A LITTLE BIT MORE TO SAY ON  
21          BURDEN OF PROOFS LATER, BUT RIGHT NOW I WANT TO FIRST  
22          PROVIDE YOU WITH SOME GENERAL BACKGROUND ON PATENTS AND  
23          THE PATENT SYSTEM, BECAUSE I THINK IT'S IMPORTANT THAT  
24          YOU HAVE THAT BACKGROUND TO UNDERSTAND THE ISSUES IN  
25          THE CASE.

1           AND SOME OF THAT, AS YOU'LL RECALL, WAS  
2           EXPLAINED ON THE VIDEOTAPE THAT YOU SAW AT THE  
3           BEGINNING OF THE TRIAL, BUT SOME OF IT MAYBE WASN'T.  
4           AND AFTER I DO THAT, I'M THEN GOING TO FOCUS ON EXACTLY  
5           WHAT IT IS THAT ARENDI MUST PROVE IN ORDER TO ESTABLISH  
6           INFRINGEMENT, AND EXACTLY WHAT IT IS THAT MICROSOFT  
7           MUST PROVE IN ORDER TO ESTABLISH INVALIDITY.

8           LET ME BEGIN WITH THE PATENT SYSTEM. THE PATENT  
9           SYSTEM IS INTENDED TO HELP PROMOTE THE ADVANCE OF  
10          SCIENCE AND TECHNOLOGY. AND ONE WAY IN WHICH THE  
11          PATENT SYSTEM TRIES TO DO THIS IS BY ISSUING A PATENT  
12          TO SOMEONE WHO INVENTS A NEW AND USEFUL PRODUCT OR A  
13          NEW AND USEFUL METHOD FOR DOING SOMETHING. A PATENT  
14          GIVES THE PATENT OWNER THE RIGHT TO EXCLUDE ANY OTHER  
15          PERSON FROM MAKING, USING, OFFERING FOR SALE, SELLING,  
16          OR USING THE INVENTION COVERED BY THE PATENT ANYWHERE  
17          IN THE UNITED STATES.

18          THE PATENT, AS I THINK YOU HEARD ON THE  
19          VIDEOTAPE, IS GRANTED FOR A SET PERIOD OF TIME. AND  
20          ONCE IT EXPIRES, THEN ANYONE IS FREE TO USE THE  
21          INVENTION COVERED BY THE PATENT. BUT DURING THE LIFE  
22          OF THE PATENT, IF ANOTHER PERSON MAKES, USES, OFFERS TO  
23          SELL, SELLS SOMETHING THAT'S COVERED BY THE PATENT  
24          WITHOUT THE PATENT'S OWNER CONSENT, THAT PERSON IS SAID  
25          TO HAVE INFRINGE THE PATENT.

1           THE U.S. PATENT AND TRADEMARK OFFICE AS YOU  
2       KNOW, IS THE AGENCY OF OUR GOVERNMENT THAT ISSUES  
3       PATENTS. AND WHEN A PATENT APPLICATION IS FILED WITH  
4       THE PATENT AND TRADEMARK OFFICE, THE APPLICATION IS  
5       ASSIGNED TO A PATENT EXAMINER WHO EXAMINES THE  
6       APPLICATION TO DETERMINE WHETHER OR NOT THE INVENTION  
7       DESCRIBED IN THE PATENT MEETS THE REQUIREMENTS OF THE  
8       PATENT LAWS FOR PATENTABLE INVENTIONS. THE LAW HAS  
9       CERTAIN REQUIREMENTS THAT MUST MET IN ORDER FOR AN  
10      INVENTION TO QUALIFY FOR PATENT PROTECTION.

11           THE PATENT EXAMINER EXAMINES THE APPLICATION AND  
12      ADVISES THE APPLICANT OF THE EXAMINER'S FINDINGS IN A  
13      PAPER CALLED AN OFFICE ACTION. THE EXAMINER MAY REJECT  
14      THE CLAIMS OF THE PATENT IF THE EXAMINER BELIEVES THAT  
15      THEY DON'T MEET THE LEGAL REQUIREMENTS FOR A PATENT  
16      PROTECTION. AND IF THAT HAPPENS, THE APPLICANT MAY  
17      RESPOND BY ATTEMPTING TO CONVINCE THE EXAMINER THAT THE  
18      REQUIREMENTS HAVE BEEN MET OR BY MAKING AMENDMENTS OR  
19      CHANGES TO THE APPLICATION OR BY SUBMITTING NEW CLAIMS.  
20      IF THE EXAMINER ULTIMATELY CONCLUDES THAT ALL OF THE  
21      REQUIREMENTS HAVE BEEN SATISFIED, THEN THE EXAMINER  
22      ALLOWS THE CLAIMS AND A PATENT IS ISSUED.

23           THE PROCESS FROM THE FILING OF THE PATENT  
24      APPLICATION TO THE ISSUANCE OF THE PATENT IS CALLED  
25      PATENT PROSECUTION. AND THE RECORD OF PAPERS RELATING

1 TO THE PATENT PROSECUTION IS REFERRED TO AS THE  
2 PROSECUTION HISTORY OR THE FILE HISTORY, AND THAT  
3 BECOMES AVAILABLE WHEN THE PATENT IS ISSUED. AND  
4 YOU'VE HEARD SOME REFERENCES IN THIS CASE BY WITNESSES  
5 TO THE PATENT HISTORY OR THE PROSECUTION HISTORY.

6 SO THAT'S GENERALLY HOW PATENTS COME TO BE  
7 ISSUED.

8 NOW, LET'S TAKE A LOOK AT THE PATENT ITSELF. A  
9 PATENT CONSISTS OF TWO BASIC PARTS; THE FIRST PART IS A  
10 WRITTEN DESCRIPTION OF THE INVENTION, AND THE SECOND  
11 PART IS THE WHAT'S CALLED THE PATENT CLAIMS. AND THE  
12 WRITTEN DESCRIPTION, WHICH MAY INCLUDE DRAWINGS, IS  
13 ALSO REFERRED TO AS THE SPECIFICATION OF THE PATENT.  
14 NOW, YOU'VE HEARD THAT TERM, TOO, AND THAT'S WHAT'S  
15 MEANT BY THE TERM SPECIFICATION.

16 YOU HAVE BEEN PROVIDED WITH A COPY OF THE '853  
17 PATENT, WHICH IS IN YOUR NOTEBOOKS AND YOU MAY WISH TO  
18 REFER TO THE PATENT NOW AS I IDENTIFY THE DIFFERENT  
19 SECTIONS FOR YOU.

20 FIRST OF ALL, IF YOU LOOK AT THE COVER PAGE, THE  
21 FIRST PAGE OF THE PATENT, IT PROVIDES IDENTIFYING  
22 INFORMATION, IT SHOWS YOU THE DATE THE PATENT ISSUED,  
23 THE PATENT NUMBER ALONG THE TOP THERE, AS WELL THE  
24 INVENTOR'S NAME, THE FILING DATE, THE ASSIGNEE, IF ANY,  
25 AND THE LIST OF THE PRIOR ART PUBLICATIONS CONSIDERED



1 OR A LIST OF SOME OF THE PRIOR PATENTS.

2 THE SPECIFICATION BEGINS WITH AN ABSTRACT THAT'S  
3 ALSO FOUND ON THE COVER PAGE. AND THE ABSTRACT, AS YOU  
4 CAN SEE, IS A BRIEF STATEMENT ABOUT THE SUBJECT MATTER  
5 OF THE INVENTION. IT JUST SORT OF GIVES YOU AN  
6 OVERVIEW OF WHAT THE INVENTION IS SUPPOSED TO BE ABOUT.

7 NEXT IN THE PATENT DOCUMENT ARE THE DRAWINGS  
8 WHICH APPEAR AS FIGURES 1 THROUGH 16 IN THE NEXT 17  
9 PAGES OF THAT PATENT. AND THOSE DRAWINGS DEPICT  
10 VARIOUS ASPECTS OR FEATURES OF THE INVENTION, AND THOSE  
11 ASPECTS OR FEATURES ARE DESCRIBED IN WORDS IN THE  
12 WRITTEN DESCRIPTION THAT APPEAR IN THE PATENT  
13 SPECIFICATION. AND IN THE WRITTEN DESCRIPTION PORTION  
14 OF THE PATENT, AS YOU WILL SEE, EACH PAGE IS DIVIDED  
15 INTO TWO COLUMNS, WHICH ARE NUMBERED AT THE TOP. IT  
16 STARTS OBVIOUSLY WITH COLUMN 1, COLUMN 2, THEN YOU FLIP  
17 TO THE NEXT PAGE, COLUMN 3, COLUMN 4. AND YOU'LL ALSO  
18 NOTICE THAT THE LINES ON THE PAGE ARE NUMBERED, THEY  
19 WERE NUMBERED DOWN THE MIDDLE OF THE PAGE, SO THAT IF  
20 YOU'RE LOOKING IN COLUMN 1 OR COLUMN 2, IF YOU ARE  
21 LOOKING FOR LINE 5 IN COLUMN 1, YOU LOOK IN COLUMN 1  
22 AND THEN YOU GO DOWN AS FAR AS THAT NUMBER 5 AND THAT  
23 SHOWS YOU YOU'RE ON LINE 5. IF YOU ARE IN COLUMN 2 AND  
24 LOOKING FOR LINE 5, IT IS THE SAME LINE ACROSS THE PAGE  
25 BUT A DIFFERENT COLUMN.

1           THE WRITTEN DESCRIPTION OF THE '853 PATENT  
2       BEGINS AT COLUMN 1, LINE 1 AND CONTINUES TO COLUMN 10,  
3       LINE 26. AND THAT WRITTEN DESCRIPTION INCLUDES A  
4       BACKGROUND SECTION. IT INCLUDES A SUMMARY OF THE  
5       INVENTION. AND IT INCLUDES A DETAILED DESCRIPTION OF  
6       THE INVENTION, INCLUDING SOME SPECIFIC EXAMPLES. AND  
7       THE SPECIFICATION ENDS WITH SOME NUMBERED PARAGRAPHS  
8       THAT ARE CALLED CLAIMS.

9           AND CLAIMS MAY CONTAIN A NUMBER OF WHAT ARE  
10      CALLED LIMITATIONS OR ELEMENTS. IN THE '853 PATENT THE  
11      ONE THAT YOU HAVE, THE CLAIMS BEGIN AT COLUMN 10, LINE  
12      30 AND CONTINUE TO THE END OF THE PATENT AT COLUMN 20,  
13      LINE 9.

14          AND YOU'LL SEE THAT THERE ARE, I BELIEVE, 73  
15      CLAIMS, EACH ONE IS SEPARATELY NUMBERED. THERE ARE 73  
16      IN ALL, BUT AS I TOLD YOU, ONLY SOME OF THEM ARE AT  
17      ISSUE IN THIS CASE. THE ASSERTED CLAIMS IN THIS CASE  
18      ARE CLAIMS 1, 2, 7, 13, 14, 16, AND 68. AND THOSE ARE  
19      THE CLAIMS THAT ARENDI ALLEGES HAVE BEEN INFRINGED BY  
20      SMART TAGS.

21          IN THIS CASE, AS I THINK I MENTIONED, THE  
22      MICROSOFT PRODUCTS AT ISSUE ARE OFFICE XP AND OFFICE  
23      2003. AND BECAUSE THEY'RE THE ONES THAT ARE AT ISSUE  
24      THEY ARE REFERRED TO AS ACCUSED PRODUCTS. SO WHENEVER  
25      YOU HEAR A REFERENCE TO ACCUSED PRODUCTS, IT'S

1 REFERRING TO OFFICE 2003 AND OFFICE XP.

2 IT'S UNDISPUTED THAT OFFICE XP AND OFFICE 2003  
3 INCLUDE SOME SOFTWARE PROGRAMS THAT CONTAIN FEATURES  
4 CALLED SMART TAGS. AND THAT THE SMART TAGS FEATURES  
5 ARE USED BY BOTH MICROSOFT AND SOME OF ITS CUSTOMERS.  
6 THE PROGRAMS THAT CONTAIN THE SMART TAGS FEATURES ARE  
7 WORD, EXCEL, POWERPOINT, ACCESS AND OUTLOOK. AND AS I  
8 SAY, SOME ONE OR MORE OF THOSE PROGRAMS ARE IN OFFICE  
9 XP OR OFFICE 2003 OR BOTH AND YOU DON'T NEED TO WORRY  
10 AT THIS POINT HOW MANY OF EACH ARE WHERE.

11 ARENDI ALLEGE THAT THE USE OF THESE SMART TAGS  
12 INFRINGES ITS '853 PATENT. THE PARTIES AGREE THAT  
13 MICROSOFT CANNOT BE LIABLE FOR INFRINGEMENT UNLESS USE  
14 OF THE SMART TAGS BY MICROSOFT AND/OR ITS CUSTOMERS  
15 INFRINGES ONE OR MORE OF THE CLAIMS IN THE '853 PATENT.  
16 AND PARTICULARLY, THE QUESTION FOR YOU TO DECIDE IN  
17 THIS CASE ARE, HAS ARENDI PROVEN BY A FAIR  
18 PREPONDERANCE OF THE EVIDENCE THAT THE USE OF  
19 MICROSOFT'S SMART TAGS BY MICROSOFT AND/OR ITS  
20 CUSTOMERS INFRINGED ON ANY ONE OR MORE OF THE CLAIMS IN  
21 THE '853 PATENT.

22 AND THE SECOND BASIC QUESTION FOR YOU TO ANSWER  
23 IS, HAS MICROSOFT PROVEN BY CLEAR AND CONVINCING  
24 EVIDENCE THAT ANY ONE OR MORE OF THE CLAIMS IN ARENDI'S  
25 '853 PATENT IS INVALID. AND YOU'LL BE ASKED TO PROVIDE

1       THESE ANSWERS BY FILLING OUT A FORM THAT'S CALLED A  
2       JURY INTERROGATORY FORM; THAT WILL GO WITH YOU IN THE  
3       JURY ROOM AND BASICALLY IT CONSISTS OF FOUR QUESTIONS  
4       AND SIMPLY ASKS YOU TO CHECK THE APPLICABLE BOX THAT  
5       GOES ALONG WITH EACH QUESTION.

6               NOW, BEFORE YOU CAN ANSWER THOSE QUESTIONS I  
7       NEED TO EXPLAIN TO YOU THE LEGAL PRINCIPLES THAT APPLY  
8       IN DETERMINING WHETHER THE CLAIMS IN A PATENT HAVE BEEN  
9       INFRINGEMENT AND IN DETERMINING WHETHER THE CLAIMS IN A  
10      PATENT ARE INVALID. AND I'LL START WITH INFRINGEMENT.

11             IN DECIDING INFRINGEMENT, THE FOCUS IS ON THE  
12      CLAIMS OF THE PATENT, THOSE NUMBERED PARAGRAPHS THAT I  
13      JUST POINTED OUT TO YOU. IT FOCUSES ON THE CLAIMS OF  
14      THE PATENT BECAUSE IT'S THE CLAIMS THAT ESTABLISH WHAT  
15      THE INVENTION COVERS AND WHAT THE PATENT OWNER MAY  
16      EXCLUDE OTHERS FROM DOING DURING THE TERM OF THE  
17      PATENT. REMEMBER, IN THAT VIDEOTAPE THE CLAIMS WERE  
18      LIKENED TO THE BOUNDARIES ON A PIECE OF PROPERTY. THEY  
19      TELL YOU WHAT THE BOUNDARIES OF THE CLAIMED INVENTION  
20      ARE. THE CLAIMS SERVE TWO PURPOSES; ONE, AS I JUST  
21      SAID IS, THEY DEFINE THE BOUNDARIES OF THE INVENTION  
22      COVERED BY THE PATENT. AND THE SECOND PURPOSE THEY  
23      SERVE IS THEY PROVIDE NOTICE TO THE PUBLIC OF WHAT  
24      THOSE BOUNDARIES ARE SO THAT OTHERS MAY AVOID  
25      INFRINGEMENT ON THOSE CLAIMS OR THAT PATENT.

1           IT'S ONLY THE CLAIMS OF THE PATENT THAT CAN BE  
2       INFRINGED. SO WHEN A PRODUCT OR A PROCESS IS ACCUSED  
3       OF INFRINGING A PATENT, WHAT YOU NEED TO DO IS COMPARE  
4       THE CLAIMS TO THE ACCUSED PRODUCT OR PROCESS IN ORDER  
5       TO DETERMINE WHETHER OR NOT THERE IS INFRINGEMENT.

6           IT'S NOT PROPER TO COMPARE THE ACCUSED PRODUCT  
7       OR PROCESS TO THE PATENT SPECIFICATION BECAUSE THE  
8       SPECIFICATION PORTION OF THE PATENT MERELY DESCRIBES  
9       THE INVENTION AND PROVIDES EXAMPLES OF HOW IT MAY BE  
10      MADE OR UTILIZED. TO PUT IT ANOTHER WAY, THE CLAIMS  
11      ARE WHAT DEFINE THE INVENTION, AND THE SPECIFICATION  
12      EXPLAINS TO OR TEACHES THOSE SKILLED IN THE ART HOW THE  
13      INVENTION MIGHT BE MADE OR USED. BUT THE EXAMPLES IN  
14      THE SPECIFICATION ARE NOT EXHAUSTIVE, THERE MAY BE  
15      OTHER WAYS IN WHICH IT MAY BE USED THAT ARE COVERED BY  
16      THE CLAIMS IN THE PATENT.

17          IT ALSO WOULD BE IMPROPER TO COMPARE THE ACCUSED  
18      PRODUCT OR PROCESS TO A SPECIFIC EXAMPLE SET OUT IN THE  
19      PATENT BECAUSE AS I SAID, THE EXAMPLES MAY NOT COVER  
20      EVERY EMBODIMENT OF THE CLAIMS. SO ONCE AGAIN, THE  
21      ONLY CORRECT COMPARISON AND THE COMPARISON THAT YOU  
22      MUST MAKE IN THIS CASE IS COMPARISON BETWEEN THE  
23      ACCUSED PRODUCT AND THE CLAIMS IN THE ARENDI PATENT.

24          AND IN ORDER TO ESTABLISH INFRINGEMENT, IT'S NOT  
25      NECESSARY FOR ARENDI TO PROVE THAT ALL OF THE CLAIMS IN

1       ITS PATENT OR AT LEAST ALL OF THE ACCUSED CLAIMS, HAVE  
2       BEEN INFRINGED. EACH CLAIM MUST BE CONSIDERED  
3       SEPARATELY AND PROOF BY ARENDI THAT ANY ONE CLAIM HAS  
4       BEEN INFRINGED IS SUFFICIENT TO ESTABLISH INFRINGEMENT  
5       OF THAT CLAIM. THE TYPE OF INFRINGEMENT THAT IS  
6       ALLEGED IN THIS CASE IS WHAT IS CALLED LITERAL  
7       INFRINGEMENT. WHICH MAY NOT MEAN AN AWFUL LOT TO YOU  
8       AT THIS POINT, AND I DON'T NEED TO GET TOO DEEPLY INTO  
9       THE DIFFERENT TYPES OF INFRINGEMENT, BECAUSE AS I SAY,  
10      WE'RE TALKING IN THIS CASE ABOUT THIS TYPE OF  
11      INFRINGEMENT.

12           THE USE OF SMART TAGS LITERALLY INFRINGES AN  
13      ASSERTED CLAIM OF ARENDI'S PATENT IF EVERY ELEMENT OR  
14      LIMITATION OF THAT CLAIM IS PRESENT IN THE USE OF THOSE  
15      SMART TAGS. IF EVERY ELEMENT OR LIMITATION OF AN  
16      ASSERTED CLAIM IS PRESENT IN THE USE OF AN ACCUSED  
17      PRODUCT, THE PRODUCT INFRINGES THAT CLAIM EVEN IF THE  
18      PRODUCT HAS ADDITIONAL FEATURES THAT AREN'T COVERED BY  
19      THE CLAIM.

20           ON THE OTHER HAND, IF ONE OR MORE OF THE  
21      ELEMENTS OR LIMITATIONS OF A CLAIM IS ABSENT FROM THE  
22      ACCUSED PRODUCT, THEN THE ACCUSED PRODUCT DOES NOT  
23      INFRINGE THAT CLAIM.

24           SO IN ORDER FOR INFRINGEMENT TO OCCUR, THE  
25      ACCUSED PRODUCT MUST CONTAIN ALL OF THE ELEMENTS OF THE

1 PARTICULAR CLAIM, EVEN THOUGH IT MAY HAVE ADDITIONAL  
2 ELEMENTS, THAT'S OKAY, BUT IT HAS TO CONTAIN ALL OF THE  
3 ELEMENTS OF THAT CLAIM. IF ANY OF THOSE ELEMENTS ARE  
4 MISSING, IT DOESN'T INFRINGE. IF ALL OF THE ELEMENTS  
5 ARE PRESENT, IT INFRINGES EVEN THOUGH THE PRODUCT MAY  
6 HAVE ADDITIONAL FEATURES THAT AREN'T FOUND IN THE  
7 PATENTED -- OR AREN'T CONTAINED IN THE PATENT CLAIM.

8 NOW, IN DECIDING WHETHER AN ACCUSED PRODUCT  
9 INFRINGES A CLAIM IN ARENDI'S PATENT, THE FIRST STEP IS  
10 TO UNDERSTAND THE MEANING OF THE WORDS USED IN THE  
11 PATENT CLAIMS. AND SOME OF THOSE WORDS MAY NOT BE  
12 FAMILIAR TO YOU, AND MY JOB IS TO DEFINE THOSE WORDS OR  
13 TERMS THAT MAY BE UNFAMILIAR TO YOU OR MAY BE DISPUTED.  
14 IT'S YOUR DUTY TO APPLY THE DEFINITIONS THAT I GIVE YOU  
15 IN DETERMINING BOTH WHETHER A PARTICULAR CLAIM HAS BEEN  
16 INFRINGED AND WHETHER A PARTICULAR CLAIM IS VALID OR  
17 INVALID.

18 NOW, ONCE AGAIN, IT MAY BE HELPFUL FOR YOU TO  
19 REFER TO THE COPY OF THE PATENT. AND I WOULD DIRECT  
20 YOUR ATTENTION -- I AM GOING TO DIRECT YOUR ATTENTION  
21 TO CLAIM 1, I GUESS THERE IS NO PAGE NUMBER ON THE  
22 PATENT, BUT YOU REMEMBER IT'S NEAR THE END, IT'S THE  
23 PARAGRAPH NUMBER, LET'S SEE, IT'S IN COLUMN 10, BEGINS  
24 AT LINE 28, DO YOU SEE THE NUMBER 1 THERE? IT STARTS  
25 WITH THE WORDS "A COMPUTERIZED METHOD." EVERYBODY

1       THERE?

2               JURORS:  YES.

3               THE COURT:  I'M GOING TO LIMIT MY COMMENTS TO  
4       CLAIM 1 FOR TWO REASONS.  I'M ONLY GOING TO TALK ABOUT  
5       THE TERMS IN CLAIM 1 FOR TWO REASONS; THE FIRST IS THAT  
6       ALL OF THE TERMS THAT, I THINK, REQUIRE DEFINITION  
7       WHICH ARE FOUND IN OTHER ASSERTED CLAIMS ARE ALSO FOUND  
8       IN CLAIM 1.  SO IF I DEFINE THE MEANING IN CLAIM 1, YOU  
9       CAN GIVE THEM THE SAME MEANING WITH RESPECT TO THE  
10      OTHER ASSERTED CLAIM.  AND THE SECOND REASON I'M GOING  
11      TO LIMIT MYSELF TO CLAIM 1 IS THAT IF THE USE OF SMART  
12      TAGS BY MICROSOFT AND/OR ITS CUSTOMERS DOES NOT  
13      INFRINGE CLAIM 1, THEN IT WOULD NOT INFRINGE ANY OF THE  
14      OTHER ASSERTED CLAIMS BECAUSE THOSE CLAIMS EITHER  
15      DIRECTLY OR INDIRECTLY INCORPORATE THE ELEMENTS OR  
16      LIMITATIONS OF CLAIM 1.  SO CLAIM 1 IS THE STARTING  
17      POINT HERE.

18              NOW, LET'S LOOK AT SOME OF THE TERMS IN CLAIM 1.  
19      THIS IS PRETTY MUCH, I THINK, IN ORDER BUT IT MAY BE A  
20      LITTLE BIT OUT OF ORDER SO BEAR WITH ME IF IT IS.  I  
21      HOPE IT'S AT LEAST IN LOGICAL ORDER.

22              IF YOU LOOK AT COLUMN 10, LINE 32, THEY'RE ALL  
23      IN COLUMN 10, BUT LINE 32, YOU SEE THE WORD,  
24      "COMPRISING."  THE WORD COMPRISING MEANS INCLUDING BUT  
25      NOT LIMITED TO.



1           IF YOU LOOK A LITTLE FURTHER DOWN IN COLUMN 10  
2   AT LINE 36, YOU'LL SEE A TERM "THE EXECUTE COMMAND."  
3   AND THE TERM, THE EXECUTE COMMAND, MEANS THE EXECUTE  
4   COMMAND THAT'S REFERRED TO IN THE PRECEDING ELEMENT OF  
5   THE CLAIM. YOU SEE THE PRECEDING ELEMENT THAT BEGINS  
6   ON, I GUESS THAT'S LINE 30 -- LET'S SEE, A COUPLE LINES  
7   ABOVE THE PRECEDING ELEMENT, IT TALKS ABOUT AN EXECUTE  
8   COMMAND, WHICH INITIATES A RECORD RETRIEVAL FROM AN  
9   INFORMATION SOURCE. I GUESS THAT'S LINES 33 AND 34.  
10   SO THE TERM, THE EXECUTE COMMAND, IN LINE 36 REFERS TO  
11   OR MEANS THE EXECUTE COMMAND THAT'S REFERRED TO IN THE  
12   PRECEDING ELEMENT OF CLAIM 1 AS AN EXECUTE COMMAND  
13   WHICH INITIATES A RECORD RETRIEVAL FROM AN INFORMATION  
14   SOURCE.

15           THEN, YOU'LL SEE THE TERM, "INPUT DEVICE."  
16   THAT'S AT LINE 38 OF COLUMN 10. AN INPUT DEVICE MEANS  
17   A DEVICE THAT ALLOWS A USER TO PROVIDE INPUT INTO A  
18   COMPUTER SYSTEM. NOW, THAT BY ITSELF ISN'T  
19   PARTICULARLY HELPFUL, BUT THE FOCUS HERE IS ON THE  
20   PHRASE OR THE TERM, "THE INPUT DEVICE" WHICH IS AT LINE  
21   38. AND THE TERM, THE INPUT DEVICE, AS USED THERE,  
22   MEANS THE INPUT DEVICE REFERRED TO IN THE PRECEDING  
23   ELEMENT OF CLAIM 1 AS, AND I'M QUOTING, "AN INPUT  
24   DEVICE CONFIGURED TO ENTER AN EXECUTE COMMAND WHICH  
25   INITIATES A RECORD RETRIEVAL PROGRAM. AND THE INPUT

1       DEVICE INCLUDES A MENU CHOICE OR SELECTION."

2               IF YOU LOOK AT LINE 36 IN COLUMN 10, YOU'LL SEE  
3       THE TERM, "ENTRY OF THE EXECUTE COMMAND." IT SAYS, THE  
4       WHOLE LINE READS, "UPON A SINGLE ENTRY OF THE EXECUTE  
5       COMMAND BY MEANS OF THE INPUT DEVICE."

6               AND THE TERM, THE EXECUTE COMMAND, OR ENTRY OF  
7       THE EXECUTE COMMAND, THAT ENTRY OF THE EXECUTE COMMAND  
8       MAY BE ACCOMPLISHED BY CLICKING ON OR SELECTING A MENU  
9       CHOICE.

10              IF YOU LOOK AT LINE 36, THE PHRASE OR TERM,  
11       "UPON A SINGLE ENTRY OF THE EXECUTE COMMAND," THAT  
12       MEANS TWO THINGS; IT MEANS FIRST THAT ANALYSIS OF THE  
13       DOCUMENT TO DETERMINE IF IT CONTAINS FIRST INFORMATION,  
14       AND SEARCHING SOURCES EXTERNAL TO THE DOCUMENT FOR  
15       SECOND INFORMATION ASSOCIATED WITH THE FIRST  
16       INFORMATION MUST OCCUR UPON OR AFTER ENTRY OF THE  
17       EXECUTE COMMAND. AND IT ALSO MEANS THAT THE ANALYSIS  
18       AND SEARCH MUST TAKE PLACE WITHOUT ANY NEED FOR THE  
19       USER TO FIRST SELECT ANY TEXT IN THE DOCUMENT BY  
20       ACCENTING IT, HIGHLIGHTING IT OR OTHERWISE SELECTING  
21       IT.

22              SO THAT TERM, UPON A SINGLE ENTRY OF THE EXECUTE  
23       COMMAND, MEANS FIRST THAT THE ANALYSIS AND THE  
24       SEARCHING MUST TAKE PLACE AFTER ENTRY OF THE EXECUTE  
25       COMMAND AND, SECOND, THAT THE ANALYSIS AND SEARCH MUST

1 TAKE PLACE WITHOUT ANY NEED FOR THE USER TO FIRST  
2 SELECT TEXT OR BY ACCENTING IT, HIGHLIGHTING IT OR  
3 OTHERWISE SELECTING IT.

4 IF YOU LOOK DOWN AT LINES 38 AND 39, YOU'LL SEE  
5 THE TERM, "FIRST INFORMATION," YOU'VE HEARD A LOT OF  
6 REFERENCES TO THAT DURING THE COURSE OF THIS TRIAL.  
7 FIRST INFORMATION MEANS TEXT IN THE DOCUMENT THAT IS  
8 ENTERED BY A USER AND CAN BE USED BY THE RECORD  
9 RETRIEVAL PROGRAM TO SEARCH SOURCES EXTERNAL TO THE  
10 DOCUMENT FOR SECOND INFORMATION ASSOCIATED WITH THE  
11 FIRST INFORMATION.

12 AND DON'T BE TOO CONCERNED IF YOU HAVEN'T GOTTEN  
13 EVERY WORD OF WHAT I'VE SAID DOWN, YOU'LL HAVE A  
14 TAPE-RECORDING OF MY CHARGE AND YOU CAN PLAY IT BACK AT  
15 YOUR LEISURE IF YOU WISH TO, WHEN YOU GET IN THE JURY  
16 ROOM, AND COMPARE IT TO THE LANGUAGE CONTAINED IN THE  
17 PATENT CLAIM OR PARTICULARLY CLAIM 1.

18 NOW, SOME OF THE QUESTIONS, AT LEAST TWO OF THE  
19 QUESTIONS THAT YOU MAY NEED TO ADDRESS WITH RESPECT TO  
20 INFRINGEMENT ARE AS FOLLOWS, AND LET ME JUST SAY THAT  
21 THESE ARE ONLY TWO QUESTIONS, THERE MAY BE OTHER  
22 QUESTIONS THAT YOU NEED TO ADDRESS, BUT I JUST WANT TO  
23 MENTION TWO OF THE QUESTIONS THAT YOU MAY HAVE TO  
24 CONSIDER IN DETERMINING WHETHER INFRINGEMENT HAS BEEN  
25 PROVEN HERE.

1           THE FIRST QUESTION OR ONE QUESTION IS DO SMART  
2       TAGS REQUIRE THE USER TO SELECT TEXT IN THE DOCUMENT  
3       BEFORE THE DOCUMENT IS ANALYZED TO DETERMINE IF THE  
4       DOCUMENT CONTAINS FIRST INFORMATION, AND BEFORE THE  
5       RECORD RETRIEVAL PROGRAM IS USED TO SEARCH FOR SECOND  
6       INFORMATION. IF SMART TAGS DO REQUIRE TEXT SELECTION,  
7       THEN USE OF SMART TAGS WOULD NOT INFRINGE ARENDI'S  
8       PATENT BECAUSE ARENDI'S INVENTION DOES NOT REQUIRE TEXT  
9       SELECTION BY THE USER.

10           IF, ON THE OTHER HAND, SMART TAGS DO NOT REQUIRE  
11       TEXT SELECTION, THEN THEY MIGHT INFRINGE ARENDI'S  
12       PATENT, DEPENDING ON WHETHER ALL OF THE OTHER ELEMENTS  
13       OF A PARTICULAR CLAIM IN THAT PATENT ARE PRESENT IN THE  
14       SMART TAGS PRODUCT.

15           A SECOND QUESTION THAT YOU MAY NEED TO ADDRESS  
16       IS WHEN SMART TAGS ARE USED, DOES THE ANALYSIS OF THE  
17       DOCUMENT TO DETERMINE IF IT CONTAINS FIRST INFORMATION  
18       AND THE SEARCH FOR SECOND INFORMATION OCCUR AFTER ENTRY  
19       OF THE EXECUTE COMMAND. IF THE ANALYSIS AND SEARCH DO  
20       NOT TAKE PLACE AFTER ENTRY OF THE EXECUTE COMMAND,  
21       SMART TAGS WOULD NOT INFRINGE THE ARENDI PATENT.

22           ON THE OTHER HAND, IF SMART TAGS PERFORMS THE  
23       ANALYSIS OR SEARCH AFTER THE ENTRY OF THE EXECUTE  
24       COMMAND, THE FACT THAT THEY MIGHT ALSO PERFORM THE  
25       ANALYSIS AND SEARCH BEFORE ENTRY OF THE EXECUTE COMMAND

1 DOES NOT PRECLUDE INFRINGEMENT. IN OTHER WORDS, THE  
2 FOCUS HERE IS ON WHETHER THE ANALYSIS AND SEARCH  
3 FUNCTIONS REFERRED TO ARE PERFORMED AFTER THE ENTRY OF  
4 AN EXECUTE COMMAND; IF SO, THAT MATCHES UP WITH  
5 ARENDI'S PATENT, EVEN IF THE ANALYSIS AND SEARCH ALSO  
6 OCCUR BEFORE ENTRY OF THE EXECUTE COMMAND. IF THE  
7 ANALYSIS AND SEARCH DO NOT OCCUR AFTER THE ENTRY OF THE  
8 EXECUTE COMMAND, THEN THERE WOULDN'T BE ANY  
9 INFRINGEMENT OF THAT ELEMENT OF THAT CLAIM OF ARENDI'S  
10 PATENT.

11 NOW, THAT COMPLETES MY EXPLANATION OF WHAT  
12 ARENDI MUST PROVE IN ORDER TO ESTABLISH INFRINGEMENT OF  
13 ITS PATENT BY MICROSOFT. AND I'M NOW GOING TO TURN TO  
14 WHAT MICROSOFT MUST PROVE IN ORDER TO ESTABLISH THAT  
15 ARENDI'S PATENT OR ANY OF THE CLAIMS IN ARENDI'S PATENT  
16 ARE INVALID. AND I'LL BEGIN BY TELLING YOU THAT A  
17 PATENT CANNOT BE INFRINGED UNLESS IT IS VALID. YOU  
18 CANNOT INFRINGE AN INVALID PATENT. IN ORDER TO BE  
19 VALID, A PATENT AS I INDICATED BEFORE, MUST COMPLY WITH  
20 ALL OF THE LEGAL REQUIREMENTS FOR ISSUANCE OF A PATENT,  
21 ALL OF THE LEGAL REQUIREMENTS THAT YOU MUST SATISFY IN  
22 ORDER TO OBTAIN PATENT PROTECTION.

23 ONE OF THE REQUIREMENTS IS THAT THE INVENTION  
24 CLAIMED IN THE PATENT MUST NEW OR NOVEL, THOSE TWO  
25 WORDS ARE USED PRETTY MUCH INTERCHANGEABLY, THE

1 INVENTION CLAIM MUST NEW OR NOVEL BECAUSE A PATENT  
2 CANNOT DEPRIVE OTHERS OF THEIR RIGHT TO USE WHAT  
3 EXISTED OR WAS KNOWN WHEN THE INVENTION WAS MADE. AND  
4 THAT WHICH WAS KNOWN OR EXISTED OR WAS USED AT THE TIME  
5 AN INVENTION WAS MADE IS REFERRED TO AS PRIOR ART. AND  
6 YOU'VE HEARD THAT TERM THROWN AROUND A LOT DURING THE  
7 COURSE OF THIS TRIAL.

8 MICROSOFT HAS CHALLENGED THE VALIDITY OF  
9 ASSERTED CLAIMS IN ARENDI'S PATENT ON THE GROUND THAT  
10 MICROSOFT ALLEGES THAT THE CLAIMS CLAIM SOMETHING THAT  
11 WAS NOT NEW OR NOVEL AT THE TIME OF ARENDI'S INVENTION  
12 WAS MADE. MORE SPECIFICALLY, MICROSOFT CONTENDS THAT  
13 ARENDI'S '853 PATENT IS INVALID BECAUSE IT WAS  
14 ANTICIPATED BY OR COVERED BY PRIOR ART.

15 NOW, AS I'VE ALREADY INDICATED, THE LAW PRESUMES  
16 THAT A PATENT IS VALID AND MICROSOFT AS THE PARTY  
17 CHALLENGING THE VALIDITY OF ARENDI'S PATENT, HAS THE  
18 BURDEN OF PROVING INVALIDITY BY CLEAR AND CONVINCING  
19 EVIDENCE. IN DETERMINING THE VALIDITY OF THE CLAIMS OF  
20 ARENDI'S '853 PATENT YOU MUST CONSIDER EACH CLAIM  
21 SEPARATELY JUST AS YOU DID WITH RESPECT TO  
22 INFRINGEMENT. AN INVENTION IS ANTICIPATED BY THE PRIOR  
23 ART -- OR AN INVENTION THAT IS ANTICIPATED BY THE PRIOR  
24 ART IS NOT ENTITLED TO PATENT PROTECTION.

25 PRIOR ART MAY CONSIST OF A PUBLICATION, A PRIOR

1 PATENT, A PRIOR PUBLIC USE OR SALE OR SOME OTHER FORM  
2 OF PRIOR ART. IN ORDER FOR A PATENT CLAIM TO BE  
3 ANTICIPATED BY PRIOR ART, EACH AND EVERY LIMITATION OR  
4 ELEMENT OF THAT CLAIM MUST BE PRESENT WITHIN A SINGLE  
5 ITEM OF PRIOR ART. THE FACT THAT ONE LIMITATION OF THE  
6 PATENT CLAIM MIGHT BE FOUND IN ONE PIECE OF PRIOR ART  
7 AND OTHER LIMITATIONS OF THE PATENT CLAIM MAY BE FOUND  
8 IN OTHER ITEMS OF PRIOR ART, DOES NOT ESTABLISH  
9 ANTICIPATION. ALL OF THE ELEMENTS OR LIMITATIONS OF  
10 THE CLAIM MUST BE PRESENT IN ONE ITEM OF PRIOR ART.

11 AND IN DECIDING WHETHER A SINGLE ITEM OF PRIOR  
12 ART ANTICIPATES A PATENT CLAIM YOU SHOULD CONSIDER WHAT  
13 IS EXPRESSLY STATED IN THE ITEM OF PRIOR ART AND ALSO  
14 WHAT IS INHERENTLY PRESENT IN THE ITEM OF PRIOR ART. A  
15 LIMITATION OR A CLAIM IS INHERENT OR INHERENTLY PRESENT  
16 IN AN ITEM OF PRIOR ART IF IT IS ALWAYS PRESENT IN THE  
17 PRIOR ART, OR IF IT ALWAYS RESULTS FROM THE PRACTICE OF  
18 THE PRIOR ART, AND IF A PERSON SKILLED IN THE  
19 PARTICULAR ART, IN THIS CASE COMPUTER PROGRAMS AND  
20 COMPUTERS, WOULD UNDERSTAND THAT TO BE THE CASE.

21 ANOTHER THING TO KEEP IN MIND IS THAT THE PRIOR  
22 ART REFERENCE MUST DISCLOSE OR DESCRIBE AN ENTIRE  
23 INVENTION, WHETHER IT'S A PRODUCT, A SYSTEM OR METHOD  
24 OR A COMBINATION. IF A SINGLE ITEM OF PRIOR ART  
25 DESCRIBES OR DISCLOSES A COMBINATION OF PRODUCTS OR

1       TECHNOLOGIES, ALL OF THE ELEMENTS IN THE COMBINATION  
2       ARE CONSIDERED TO BE A SINGLE ITEM OF PRIOR ART EVEN  
3       THOUGH THE ELEMENTS ALSO MAY HAVE BEEN DISCLOSED  
4       SEPARATELY. SO, IF SEVERAL THINGS TAKEN TOGETHER  
5       CONSTITUTE A SINGLE ITEM OF PRIOR ART -- SEVERAL THINGS  
6       TAKEN TOGETHER COULD CONSTITUTE A SINGLE ITEM OF PRIOR  
7       ART IF THEY'RE USED TOGETHER IN COMBINATION, EVEN  
8       THOUGH THEY MAY BE ALSO DISCLOSED SEPARATELY.

9               IN ORDER TO BE PRIOR ART, AN ITEM MUST HAVE BEEN  
10       EITHER KNOWN TO OR USED BY SOMEONE OTHER THAN THE  
11       INVENTOR BEFORE THE PATENTED INVENTION WAS INVENTED, OR  
12       IT MUST HAVE BEEN PUBLICLY USED FOR MORE THAN ONE YEAR  
13       BEFORE THE APPLICATION FOR THE PATENT WAS FILED. THE  
14       PUBLIC DOESN'T NEED TO HAVE ACCESS TO THE INNER  
15       WORKINGS OF A PRODUCT IN ORDER FOR IT TO BE CONSIDERED  
16       PRIOR ART.

17               SO, FOR EXAMPLE, A SOFTWARE PRODUCT THAT WAS  
18       PUBLICLY USED MAY BE PRIOR ART EVEN THOUGH ITS SOURCE  
19       CODE, FOR EXAMPLE, WAS NOT KNOWN TO THE PUBLIC. BUT  
20       THE SOURCE CODE MAY BE RELEVANT IN DETERMINING HOW A  
21       PIECE OF PRIOR SOFTWARE WORKED AND THEREFORE, WHETHER  
22       IT ANTICIPATED THE PATENTED INVENTION.

23               THE PARTIES AGREE IN THIS CASE THAT THE  
24       FOLLOWING ITEMS ARE PRIOR ART AND THAT THEY EXISTED  
25       BEFORE THE INVENTION DISCLOSED IN THE '853 PATENT.



1 COSTAR ADDRESSMATE PLUS, COSTAR ADDRESSMATE PLUS USER'S  
2 MANUAL, CLARIS EMAILER WITH APPLE DATA DETECTORS, COREL  
3 WORDPERFECT 7 SPELLCHECKER, COREL WORDPERFECT 7  
4 QUICKCORRECT, U.S. PATENT NUMBER 4,674,064, THE LANG  
5 PATENT, U.S. PATENT NUMBER 5,946,647, THE MILLER  
6 PATENT. AND THE QUESTION FOR YOU TO DECIDE IS WHETHER  
7 ANY ONE OR MORE OF THOSE ITEMS ANTICIPATED ARENDI'S  
8 '853 PATENT.

9 NOW, I TRIED TO TELL YOU, I HOPE I'VE ADEQUATELY  
10 EXPLAINED TO YOU WHAT IT IS THAT MICROSOFT -- WHAT IT  
11 IS THAT ARENDI HAS TO PROVE IN ORDER TO ESTABLISH THAT  
12 MICROSOFT HAS INFRINGED ITS '853 PATENT. AND I'VE TOLD  
13 YOU WHAT IT IS THAT MICROSOFT HAS TO PROVE IN ORDER TO  
14 ESTABLISH THAT THE CLAIMS OF ARENDI'S PATENT ARE  
15 INVALID. AND I'VE ALSO EXPLAINED TO YOU THE BURDEN OF  
16 PROOF THAT APPLIES IN EACH CASE.

17 NOW, THE NEXT QUESTION IS, HOW DO YOU GO ABOUT  
18 TELLING OR DETERMINING WHETHER THE PARTIES HAVE PROVEN  
19 THESE THINGS? WELL, AS I INDICATED AT THE BEGINNING OF  
20 THE CASE, YOU HAVE TO MAKE THAT DETERMINATION SOLELY ON  
21 THE BASIS OF THE EVIDENCE THAT HAS BEEN PROPERLY  
22 PRESENTED BEFORE YOU DURING THIS TRIAL. NOW, THOSE  
23 THINGS THAT ARE ACTUALLY IN EVIDENCE. AND YOU CAN'T  
24 BASE YOUR DECISION ON THINGS YOU MAY HAVE SEEN OR HEARD  
25 THAT IS NOT IN EVIDENCE, THE COMMENTS MADE BY THE

1       LAWYERS, ANSWERS BY WITNESSES THAT I STRUCK AND TOLD  
2       YOU TO DISREGARD, THOSE THINGS ARE NOT EVIDENCE  
3       PROPERLY BEFORE YOU.

4               NOW, AS TO THE EVIDENCE THAT IS BEFORE YOU, THE  
5       TWO PRINCIPAL SOURCES OF THAT EVIDENCE ARE THE  
6       TESTIMONY OF THE WITNESSES, WHO TOOK THE STAND AND  
7       TESTIFIED OR IN SOME CASES TESTIFIED BEFORE TRIAL AND  
8       THEIR DEPOSITIONS WERE READ TO YOU, AND ALSO THE  
9       CONTENTS OF THE EXHIBITS THAT WILL GO WITH YOU INTO THE  
10      JURY ROOM.  AND THERE'S ALSO WHAT'S CALLED  
11      CIRCUMSTANTIAL EVIDENCE, WHICH I'LL EXPLAIN TO YOU A  
12      LITTLE BIT LATER.

13             I'M GOING TO TAKE THESE CATEGORIES OF EVIDENCE  
14      ONE AT A TIME.  LET'S START WITH THE WITNESSES, THE  
15      TESTIMONY OF THE WITNESSES.  AND YOUR PRINCIPAL TASK  
16      HERE IS IN ASSESSING THE CREDIBILITY OF THE WITNESSES,  
17      IN OTHER WORDS, HOW MUCH WEIGHT DO YOU THINK THAT THAT  
18      WITNESS'S TESTIMONY DESERVES IN DETERMINING WHETHER  
19      ARENDI HAS PROVEN INFRINGEMENT BY A GREATER WEIGHT OF  
20      THE EVIDENCE OR WHETHER MICROSOFT HAS PROVEN INVALIDITY  
21      BY CLEAR AND CONVINCING EVIDENCE.  YOU HAVE TO DECIDE  
22      HOW MUCH WEIGHT TO GIVE TO THE TESTIMONY OF EACH  
23      WITNESS.  AND IT'S PARTICULARLY IMPORTANT IN A CASE  
24      LIKE THIS WHERE YOU HAVE HAD CONFLICTING TESTIMONY, AND  
25      YOU ARE GOING TO HAVE TO CHOOSE BETWEEN ONE WITNESS OR

1       ANOTHER IN SOME CASES.

2               WELL, SOME OF THE FACTORS THAT YOU CAN AND  
3       SHOULD CONSIDER IN ASSESSING THE CREDIBILITY OF  
4       WITNESSES IN DETERMINING HOW MUCH WEIGHT THEIR  
5       TESTIMONY DESERVES ARE, FIRST OF ALL, THE OPPORTUNITY  
6       OR LACK OF OPPORTUNITY THE WITNESS HAD TO KNOW OR  
7       OBSERVE THE FACTS ABOUT WHICH THE WITNESS TESTIFIED, IN  
8       OTHER WORDS, WAS THE WITNESS IN A GOOD POSITION TO HAVE  
9       ACCURATELY SEEN, HEARD OR OTHERWISE OBSERVED THE THINGS  
10      THAT THE WITNESS TOLD YOU OR WAS THE WITNESS'S ABILITY  
11      TO OBSERVE THESE THINGS IMPAIRED IN SOME WAY.

12             THE SECOND FACTOR IS THE RELIABILITY OR THE  
13      UNRELIABILITY OF THE WITNESS'S MEMORY. DID IT APPEAR  
14      TO YOU THAT THE WITNESS HAD A CLEAR AND ACCURATE  
15      RECOLLECTION OF WHAT IT IS THAT THE WITNESS CLAIMS TO  
16      HAVE SEEN, HEARD OR OBSERVED OR DID IT APPEAR TO YOU  
17      THAT THE WITNESS'S MEMORY WAS SOMEWHAT FLAWED.

18             THE THIRD FACTOR IS THE WITNESS'S APPEARANCE ON  
19      THE STAND. ONE REASON THAT WE GENERALLY REQUIRE  
20      WITNESSES TO COME IN AND TESTIFY IN PERSON IS IT GIVES  
21      YOU A CHANCE TO OBSERVE THEM AND SEE THEIR DEMEANOR AS  
22      THEY TESTIFY. AND YOU CAN DRAW SOME CONCLUSIONS ABOUT  
23      A WITNESS'S CREDIBILITY BY OBSERVING THAT WITNESS WHEN  
24      THEY TESTIFY. UNFORTUNATELY, YOU DON'T HAVE AN  
25      OPPORTUNITY TO DO THAT WHEN A DEPOSITION IS READ TO

1       YOU, BUT YOU CERTAINLY DO WHEN YOU SEE THE WITNESS  
2       LIVE.

3               ANOTHER FACTOR IS WHETHER THE WITNESS HAS  
4       ANYTHING TO GAIN OR LOSE FROM THE OUTCOME OF THE CASE.  
5       DOES THE WITNESS HAVE A STAKE IN THE OUTCOME HERE.  
6       THAT DOESN'T MEAN THAT SIMPLY BECAUSE THE WITNESS MAY  
7       STAND TO GAIN OR LOSE FROM YOUR DECISION IN THE CASE  
8       THAT YOU SHOULD AUTOMATICALLY DISBELIEVE OR DISCOUNT  
9       THE WITNESS'S TESTIMONY, BUT IT'S CERTAINLY A FACTOR  
10      THAT YOU ARE ENTITLED TO TAKE INTO ACCOUNT IN ASSESSING  
11      THE WEIGHT TO BE GIVEN TO THAT WITNESS.  AND THERE MAY  
12      BE OTHER FACTOR THAT YOU THINK ARE APPROPRIATE IN  
13      ASSESSING CREDIBILITY, BUT CERTAINLY THOSE ARE SOME.

14             DURING THE TRIAL, YOU'LL RECALL THAT THERE WAS  
15      SOME DEPOSITION TESTIMONY READ TO YOU AND I TOLD YOU  
16      THAT DEPOSITIONS ARE TESTIMONY TAKEN UNDER OATH BEFORE  
17      THE TRIAL BEGINS, AND IF FOR ONE REASON OR ANOTHER THE  
18      WITNESS CANNOT APPEAR OR IT'S NOT NECESSARY TO BRING  
19      THE WITNESS IN, THE TESTIMONY IS READ TO YOU, YOU  
20      SHOULD CONSIDER THAT DEPOSITION TESTIMONY IN THE SAME  
21      WAY AS YOU WOULD THE TESTIMONY OF A LIVE WITNESS EXCEPT  
22      YOU DON'T HAVE THE CHANCE TO HAVE OBSERVED THE WITNESS.

23             A WITNESS, SOMETIMES THE LAWYERS MAY ATTEMPT TO  
24      IMPEACH THE WITNESS, THAT IS TO SAY TO UNDERMINE THE  
25      CREDIBILITY OF THE WITNESS BY SHOWING OR ATTEMPTING TO

1       SHOW THAT ON SOME PREVIOUS OCCASION THE WITNESS MADE  
2       STATEMENTS THAT WERE INCONSISTENT WITH THE TESTIMONY  
3       THE WITNESS GAVE DURING TRIAL.  NOW, IT'S UP TO YOU TO  
4       DECIDE FIRST OF ALL, WHETHER YOU THINK THAT ANY PRIOR  
5       STATEMENT MADE BY THE WITNESS WAS INCONSISTENT IN SOME  
6       MATERIAL WAY WITH THE TESTIMONY GIVEN DURING TRIAL, AND  
7       IF SO, HOW MUCH YOU THINK THE WITNESS'S TESTIMONY  
8       SHOULD BE DISCOUNTED, IF AT ALL, FOR THAT REASON.

9               DURING THE TRIAL YOU'VE HEARD TESTIMONY FROM TWO  
10       INDIVIDUALS IN PARTICULAR, MR. KLAUSNER AND DR. CROFT  
11       WHO WERE REFERRED TO AS EXPERT WITNESSES.  AND THEY'RE  
12       CALLED EXPERT WITNESSES BECAUSE THEY CLAIM TO HAVE  
13       SPECIALIZED KNOWLEDGE IN A TECHNICAL FIELD, WHICH YOU  
14       OR I MAY NOT KNOW A GREAT DEAL ABOUT, IN THIS CASE THE  
15       FIELDS OF COMPUTER SOFTWARE AND PROGRAMS.  AND BECAUSE  
16       THEY DO HAVE KNOWLEDGE AND TRAINING IN THIS FIELD, THEY  
17       WERE ALLOWED TO EXPRESS OPINIONS IN THE HOPE THAT THOSE  
18       OPINIONS MIGHT BE HELPFUL TO YOU IN DECIDING THE FACTS  
19       IN THE CASE.  USUALLY WE DON'T ALLOW WITNESSES TO  
20       EXPRESS OPINIONS, WE CONFINE THE WITNESSES TO RELATING  
21       THE FACTS AND THEN WE LEAVE IT TO YOU TO DECIDE WHAT  
22       CONCLUSIONS TO DRAW FROM THE FACTS.  BUT WHEN WE DEAL  
23       WITH A TECHNICAL FIELD LIKE THIS, WE ALLOW THE WITNESS  
24       TO, AT LEAST A WITNESS THAT CLAIMS TO HAVE SOME  
25       TRAINING IN THE FIELD TO EXPRESS AN OPINION.

1           BUT THAT DOESN'T MEAN THAT YOU'RE REQUIRED TO  
2       ACCEPT THESE OPINIONS JUST BECAUSE THE WITNESSES CLAIM  
3       TO HAVE EXPERTISE IN THE FIELD. IN DETERMINING WHAT  
4       WEIGHT TO GIVE TO THE TESTIMONY OF AN EXPERT WITNESS,  
5       YOU SHOULD APPLY THE SAME TESTS THAT YOU WOULD APPLY TO  
6       THE TESTIMONY OF ANY OTHER WITNESS, THAT IS TO SAY YOU  
7       OUGHT TO CONSIDER THE OPPORTUNITY OR LACK OF  
8       OPPORTUNITY THE WITNESS HAD TO OBSERVE THE FACTS THAT  
9       WERE THE BASIS FOR HIS OPINION. YOU OUGHT TO ASK  
10      YOURSELVES HOW CANDID YOU THINK THIS INDIVIDUAL WAS  
11      BEING AND, IN ADDITION, YOU OUGHT TO TAKE INTO ACCOUNT  
12      THE WITNESS'S QUALIFICATIONS, ESPECIALLY IN COMPARISON  
13      TO THE QUALIFICATIONS OF AN EXPERT WITNESS WHO MAY HAVE  
14      TESTIFIED IN A DIFFERENT WAY. IF YOU HAVE TWO EXPERTS  
15      WHO TESTIFY IN CONFLICTING WAYS, ONE OF THE THINGS YOU  
16      MIGHT WANT TO LOOK AT IS WHICH ONE DO YOU THINK WAS  
17      MORE QUALIFIED TO EXPRESS THE OPINION.

18           ANOTHER THING TO LOOK AT IS THE ACCURACY OF THE  
19      FACTS UPON WHICH THE WITNESS'S OPINIONS WERE BASED.  
20      OBVIOUSLY AN OPINION IS ONLY AS GOOD AS THE FACTS ON  
21      WHICH IT'S BASED, AND IF AN EXPERT IS USING ERRONEOUS  
22      FACTS, THEN THAT EXPERT'S OPINION IS NOT GOING TO BE AS  
23      VALUABLE AS IF THE FACTS WERE ACCURATE. SO THE BOTTOM  
24      LINE IS THAT YOU OUGHT TO CONSIDER CAREFULLY THE  
25      TESTIMONY OF EXPERT WITNESSES, BUT THEY'RE NOT

1       NECESSARILY CONCLUSIVE.

2               ALSO REMEMBER THAT IN EVALUATING THE TESTIMONIAL  
3       EVIDENCE YOU ARE NOT REQUIRED TO BELIEVE SOMETHING TO  
4       BE A FACT SIMPLY BECAUSE SOME WITNESS SAID IT WAS AND  
5       NOBODY DIRECTLY CONTRADICTED THE WITNESS. IF A WITNESS  
6       SAID SOMETHING THAT IS PATENTLY INCREDIBLE OR YOU  
7       BELIEVE THE WITNESS WAS JUST MISTAKEN OR WAS  
8       FABRICATING, YOU DON'T HAVE TO ACCEPT THAT WITNESS'S  
9       STATEMENT JUST BECAUSE NOBODY CONTRADICTED IT.

10              KEEP IN MIND, TOO, THAT IT ISN'T THE NUMBER OF  
11       WITNESSES THAT TESTIFY ON ANY SIDE OF AN ISSUE THAT  
12       DETERMINES WHETHER THE BURDEN OF PROOF HAS BEEN  
13       SATISFIED, BUT, RATHER, IT IS THE QUALITY OR WEIGHT  
14       THAT YOU GIVE TO THAT TESTIMONY. SO JUST BECAUSE YOU  
15       MAY HAVE ONE WITNESS TO TESTIFY ON ONE SIDE OF AN  
16       ISSUE AND TWO OR THREE WITNESSES TESTIFY TO THE  
17       CONTRARY, THAT DOESN'T MEAN THAT YOU SHOULD NECESSARILY  
18       ACCEPT THE VERSION OF THE TWO OR THREE WITNESSES. SO  
19       MUCH FOR THE WITNESSES.

20              THE SECOND TYPE OF EVIDENCE THAT IS BEFORE YOU  
21       IS CONTAINED IN THE EXHIBITS THAT YOU'LL HAVE WITH YOU  
22       IN THE JURY ROOM. YOU'RE FREE TO EXAMINE THOSE  
23       EXHIBITS UNTIL YOUR HEART'S CONTENT. KEEP IN MIND,  
24       THOUGH, THAT THE EXHIBITS LIKE THE TESTIMONY OF THE  
25       WITNESSES, ARE JUST TOOLS TO BE USED BY YOU IN

1 DETERMINING THE FACTS IN THE CASE. AND SIMPLY BECAUSE  
2 SOMETHING HAS BEEN ADMITTED AS AN EXHIBIT IN THE CASE  
3 DOESN'T MEAN THAT YOU ARE NECESSARILY REQUIRED TO  
4 ACCEPT EVERYTHING IN IT AS FACE VALUE. THE  
5 SIGNIFICANCE OF AN EXHIBIT OR THE WEIGHT THAT YOU  
6 ATTACH TO IT, LIKE THE WEIGHT THAT YOU ATTACH TO THE  
7 TESTIMONY OF A WITNESS, WOULD DEPEND ON YOUR EVALUATION  
8 OF THAT EXHIBIT IN LIGHT OF ALL OF THE EVIDENCE THAT'S  
9 BEEN PRESENTED DURING THE COURSE OF A TRIAL.

10 YOU HAVE BEEN SHOWN DURING THE TRIAL VARIOUS  
11 CHARTS. AND THE PURPOSE OF THOSE CHARTS WAS TO HELP  
12 EXPLAIN TO YOU THE FACTS DISCLOSED BY THE EVIDENCE IN  
13 THE CASE, THE TESTIMONY OF THE WITNESSES AND THE  
14 DOCUMENTS THAT ARE IN EVIDENCE. THE CHARTS THEMSELVES  
15 ARE NOT IN EVIDENCE. THEY WERE JUST AN AID TO YOU AND,  
16 THEREFORE, IF YOU FIND THAT ANYTHING ON THE CHARTS IS  
17 DIFFERENT FROM THE EVIDENCE THAT WAS PRESENTED, YOU  
18 SHOULD BASE YOUR DECISION ON THE EVIDENCE AND NOT WHAT  
19 THE CHARTS MAY HAVE SAID.

20 BECAUSE YOU'VE HEARD REFERENCES DURING THE TRIAL  
21 TO DOCUMENTS OR OTHER THINGS THAT WERE ALLEGEDLY NOT  
22 PRODUCED BY A WITNESS OR NOT MADE AVAILABLE TO A  
23 WITNESS BEFORE TRIAL, I'M GOING TO EXPLAIN TO YOU VERY  
24 BRIEFLY THE PROCESS OF WHAT'S CALLED PRETRIAL  
25 DISCOVERY. BEFORE TRIAL, THE LAWYERS FOR EACH PARTY



1 HAVE AN OPPORTUNITY TO REQUEST THE OPPOSING PARTY TO  
2 PRODUCE DOCUMENTS OR OTHER THINGS THAT MIGHT BE  
3 EVIDENCE IN THE CASE. AND THE PARTY TO WHOM SUCH A  
4 REQUEST IS MADE MAY PRODUCE THE THINGS REQUESTED OR MAY  
5 OBJECT TO THE REQUEST FOR ANY OF A VARIETY OF REASONS.  
6 IF THE THINGS REQUESTED ARE NOT PRODUCED OR IF THERE'S  
7 A DISPUTE AS TO WHETHER THE REQUEST IS A PROPER  
8 REQUEST, THE PARTY MAKING THE REQUEST MAY ASK THE COURT  
9 TO ORDER THE PARTY TO WHOM THE REQUEST IS MADE TO  
10 PRODUCE THOSE DOCUMENTS OR THOSE ITEMS.

11 SO DISPUTES ABOUT WHETHER SOMETHING SHOULDN'T  
12 HAVE BEEN PRODUCED OR SHOULDN'T HAVE BEEN PRODUCED OR  
13 HAS BEEN PRODUCED, THOSE ARE ALL RESOLVED BY THE COURT  
14 AND USUALLY BEFORE TRIAL, SOMETIMES DURING THE TRIAL,  
15 BUT USUALLY BEFORE TRIAL AND THEY SHOULDN'T BE ANY  
16 CONCERN TO YOU, SO YOU SHOULDN'T BE SPENDING ANY TIME  
17 WORRYING ABOUT WHETHER SOMEBODY PRODUCED SOMETHING THEY  
18 WERE SUPPOSED TO PRODUCE OR NOT. YOU SHOULD FOCUS ON  
19 WHAT'S IN EVIDENCE.

20 I'VE MENTIONED TO YOU THAT YOU MAY CONSIDER ONLY  
21 THE EVIDENCE THAT'S PROPERLY BEFORE YOU, BUT THAT  
22 DOESN'T MEAN THAT IN DETERMINING THE FACTS THAT YOU'RE  
23 STRICTLY LIMITED TO THE STATEMENTS OF THE WITNESSES AND  
24 OF THE CONTENTS OF THE EXHIBITS. IN REACHING YOUR  
25 CONCLUSIONS YOU MAY DRAWN FROM FACT THAT HAVE BEEN

1       PROVEN BY THE TESTIMONY OF THE WITNESS OR THE CONTENTS  
2       OF THE EXHIBITS, SUCH REASONABLE INFERENCES AS YOU MAY  
3       DEEM APPROPRIATE.

4               INFERENCES ARE DEDUCTIONS OR CONCLUSIONS THAT  
5       REASON AND COMMON SENSE LEAD ONE TO DRAW FROM FACTS  
6       THAT HAVE BEEN ESTABLISHED BY THE EVIDENCE IN THE CASE.  
7       AND THE PROCESS BY PROVING SOMETHING BY MEANS OF  
8       INFERENCES BASED ON FACTS IS SOMETIMES REFERRED TO AS  
9       THE PROCESS OF PROVING SOMETHING BY CIRCUMSTANTIAL  
10      EVIDENCE. TO PUT IT ANOTHER WAY, A FACT MAY BE PROVEN  
11      EVEN BY DIRECT EVIDENCE, THAT IS TO SAY, THE TESTIMONY  
12      OF A WITNESS WHO CLAIMS TO HAVE DIRECTLY OBSERVED WHAT  
13      IT IS THAT THE WITNESS TESTIFIED ABOUT, OR IT CAN BE  
14      PROVEN BY CIRCUMSTANTIAL EVIDENCE, THAT IS TO SAY, THE  
15      PROOF BY DIRECT EVIDENCE OF TWO OF MORE FACTS FROM  
16      WHICH THE EXISTENCE OR NONEXISTENCE OF A THIRD FACT CAN  
17      REASONABLY BE INFERRED. LET ME GIVE YOU AN EXAMPLE, IT  
18      IS EASIER TO GIVE YOU AN EXAMPLE THAN IT IS TO SAY IT  
19      IN WORDS.

20             SUPPOSE ON SOME WINTER NIGHT BEFORE YOU GO TO  
21      BED YOU LOOK OUT OF THE WINDOW AND THE GROUND IS BARE.  
22      IN THE MORNING YOU WAKE UP AND THERE IS A FOOT OF SNOW  
23      ON THE GROUND. IF SOMEONE ASKS YOU WHETHER IT SNOWED  
24      LAST NIGHT, YOUR ANSWER, I WOULD THINK, WOULD BE YES.  
25      WELL, SUPPOSE YOU HAD TO COME INTO COURT AND PROVE THAT

1 IT SNOWED LAST NIGHT, HOW WOULD YOU GO ABOUT DOING  
2 THAT. WELL, ONE WAY YOU MIGHT DO IT IS YOU MIGHT FIND  
3 SOMEONE WHO WAS AWAKE WHEN THE SNOWFLAKES WERE FALLING,  
4 THEY COULD COME IN AND TESTIFY THAT THEY SAW THE  
5 SNOWFLAKES ACTUALLY FALLING FROM THE SKY. THAT WOULD  
6 BE AN EXAMPLE OF PROOF BY DIRECT EVIDENCE; THE  
7 TESTIMONY OF A WITNESS WHO CLAIMED TO HAVE DIRECTLY  
8 OBSERVED THE SNOWFLAKES FALLING.

9 IF YOU COULDN'T FIND ANYBODY WHO WAS AWAKE WHEN  
10 THE SNOWFLAKES FELL, YOU COULD TESTIFY FROM YOUR OWN  
11 DIRECT OBSERVATION AS TO THE EXISTENCE OF TWO FACTS.  
12 FACT NUMBER ONE, BEFORE YOU WENT TO BED THE GROUND WAS  
13 BARE; FACT NUMBER TWO, WHEN YOU WOKE UP THERE WAS A  
14 FOOT OF SNOW ON THE GROUND. AND FROM THOSE TWO FACTS  
15 IT WOULD BE REASONABLE TO INFER THAT IT MUST HAVE  
16 SNOWED LAST NIGHT, THAT'S AN EXAMPLE OF PROVING IT BY  
17 CIRCUMSTANTIAL EVIDENCE, ESTABLISHING TWO FACTS BY  
18 DIRECT EVIDENCE FROM WHICH THE EXISTENCE OF A THIRD  
19 FACT MAY BE REASONABLY INFERRED.

20 BUT KEEP IN MIND THAT THERE'S A DIFFERENCE  
21 BETWEEN PROVING SOMETHING BY CIRCUMSTANTIAL EVIDENCE  
22 AND SPECULATING OR GUESSING. THE LIMITATIONS IN PROOF  
23 BY CIRCUMSTANTIAL EVIDENCE ARE, FIRST, THE UNDERLYING  
24 FACTS MUST HAVE BEEN ESTABLISHED BY THE EVIDENCE AND,  
25 SECOND, THE INFERENCE TO BE DRAWN FROM THOSE FACTS MUST

1 BE A REASONABLE INFERENCE. SO IF SOMEBODY ASKS YOU IF  
2 IT'S GOING TO SNOW NEXT TUESDAY NIGHT, IT WOULD NOT BE  
3 REASONABLE TO INFER THAT IT WOULD JUST BECAUSE IT MAY  
4 HAVE SNOWED LAST NIGHT. THAT'S AN EXAMPLE OF GUESSING  
5 OR SPECULATING. SO KEEP THAT DISTINCTION IN MIND.

6 NOW, DURING THE TRIAL THERE HAVE BEEN TIMES WHEN  
7 THE ATTORNEYS HAVE OBJECTED TO QUESTIONS OR EVIDENCE  
8 THAT WAS OFFERED. I THINK I INDICATED TO YOU EARLIER  
9 YOU SHOULDN'T HOLD IT AGAINST THE ATTORNEYS OR, MORE  
10 IMPORTANTLY, THEIR CLIENTS, NOR SHOULD YOU GIVE THE  
11 EVIDENCE ANY LESS WEIGHT SIMPLY BECAUSE THERE WAS AN  
12 OBJECTION. IF I OVERRULED THE OBJECTION, AND THE  
13 EVIDENCE WAS ADMITTED, YOU CAN CONSIDER IT FOR WHATEVER  
14 VALUE YOU THINK IT HAS AND YOU SHOULDN'T BE INFLUENCED  
15 BY WHETHER THERE WAS AN OBJECTION OR NOT.

16 I'VE ALSO TOLD THAT YOU IT'S UP TO YOU AND YOU  
17 ALONE TO DECIDE THE FACTS IN THIS CASE, AND IF DURING  
18 THE COURSE OF THE TRIAL OR IN GIVING YOU THESE  
19 INSTRUCTIONS, I HAVE DONE OR SAID ANYTHING THAT HAS  
20 CAUSED YOU TO BELIEVE THAT I WAS INDICATING AN OPINION  
21 ON MY PART AS TO WHAT THE FACTS ARE, I CAN TELL YOU  
22 RIGHT NOW THAT I WAS NOT INTENDING TO INDICATE ANY SUCH  
23 OPINION, AND YOU SHOULDN'T BE CONCERNED ABOUT WHAT YOU  
24 MIGHT THINK MY OPINION MAY BE. THE FACTS ARE FOR YOU  
25 TO DECIDE, NOT FOR ME.

1           I HOPE THAT IT GOES WITHOUT SAYING THAT NEITHER  
2       BIAS, IN FAVOR OF ANY PERSON OR GROUP OR CAUSE, OR  
3       PREJUDICE, AGAINST ANY PERSON OR GROUP OR CAUSE OR  
4       SYMPATHY SHOULD PLAY ANY ROLE WHATSOEVER IN YOUR  
5       DELIBERATIONS. YOUR SOLE TASK IS TO LOOK AT THE  
6       EVIDENCE THAT HAS BEEN PRESENTED OBJECTIVELY, TO  
7       DETERMINE FROM THAT EVIDENCE WHAT THE FACTS ARE AND TO  
8       APPLY TO THOSE FACTS THE LAW AS I HAVE EXPLAINED IT TO  
9       YOU. THAT'S ALL THAT EITHER SIDE IN THIS CASE EXPECTS  
10      OR IS ENTITLED TO.

11           YOU'LL HAVE WITH YOU -- WELL, I'LL GET TO THAT  
12      IN A MOMENT; RIGHT NOW I'M GOING TO ASK THE LAWYERS TO  
13      BRIEFLY APPROACH THE SIDE BAR TO GIVE THEM A CHANCE TO  
14      TELL ME IF THEY THINK I HAVE FORGOTTEN TO TELL YOU  
15      SOMETHING I SHOULD HAVE TOLD YOU OR IF I HAVE MISSTATED  
16      ANYTHING THAT I DID TELL YOU. SO IF YOU'LL EXCUSE US  
17      FOR A MOMENT. COUNSEL, WOULD YOU APPROACH THE SIDE  
18      BAR.

19           (BENCH CONFERENCE HELD ON THE RECORD)

20           THE COURT: DOES THE PLAINTIFF HAVE ANY  
21      OBJECTION TO THE CHARGE".

22           MR. HAYES: NO, YOUR HONOR.

23           THE COURT: DOES THE DEFENDANT?

24           MR. SCHERKENBACH: ONE ISSUE. YOU SAID YOU  
25      CAN'T INFRINGE UNLESS THE PATENT IS INVALID, I KNOW

1       WHAT YOU MEANT IS THERE IS NO LIABILITY FOR  
2       INFRINGEMENT UNLESS, AND I'VE SEEN, UNFORTUNATELY, THE  
3       STATEMENT THAT YOU MADE TAKEN OUT OF CONTEXT AND  
4       ALLEGED TO BE IN ERROR, SO YOU MIGHT WANT TO JUST  
5       CLARIFY IT.

6               THE COURT: IT REALLY DOESN'T MAKE ANY  
7       DIFFERENCE FOR THIS PROCEEDING, I DON'T THINK, DOES IT?

8               MR. SCHERKENBACH: WELL, I DON'T KNOW WHETHER IT  
9       DOES OR DOESN'T. MY CONCERN IS, AGAIN, IT'S IN THE  
10      RECORD AND IT CAN BE ALLEGED TO BE, WITHOUT THE  
11      CONTEXT, A MISSTATEMENT OF THE LAW.

12              THE COURT: OKAY.

13              MR. HAYES: THE MILLER PATENT, I THINK YOU SAID  
14      WAS OUT YESTERDAY.

15              MR. SCHERKENBACH: I SAID IF WE WERE GOING TO  
16      STRIKE SOME SORT OF DEAL ON THAT INSTRUCTION, WE WOULD  
17      AGREE TO TAKE IT OUT.

18              (BENCH CONFERENCE OFF THE RECORD)

19              THE COURT: ONE MINOR POINT I SHOULD CORRECT,  
20      LADIES AND GENTLEMEN. I THINK I TOLD YOU THAT ONE  
21      CANNOT INFRINGE AN INVALID PATENT, THAT ISN'T EXACTLY  
22      CORRECT. WHAT I SHOULD HAVE SAID OR MEANT TO SAY WAS  
23      ONE CAN'T BE LIABLE FOR INFRINGING AN INVALID PATENT.  
24      THERE IS A DIFFERENCE. FOR PURPOSES OF THIS STAGE OF  
25      THE CASE, IT DOESN'T REALLY MAKE ANY PRACTICAL

1 DIFFERENCE, BUT I JUST WANTED TO CORRECT THAT. SO, IN  
2 OTHER WORDS IF THE PATENT OR THE CLAIMS IN THE PATENT  
3 ARE INVALID, MICROSOFT CAN'T BE LIABLE FOR  
4 INFRINGEMENT, BUT IT IS THEORETICALLY POSSIBLE THAT ONE  
5 CAN INFRINGE AN INVALID PATENT.

6 NOW, YOU WILL HAVE WITH YOU IN THE JURY ROOM, AS  
7 I SAID EARLIER, A SET OF QUESTIONS THAT ARE CALLED  
8 INTERROGATORIES. AND YOU SHOULD ANSWER ALL OF THE  
9 APPLICABLE QUESTIONS. AND WHEN I SAY APPLICABLE,  
10 DEPENDING ON WHAT YOUR ANSWER IS TO ONE QUESTION, YOU  
11 MAY OR MAY NOT HAVE TO ANSWER THE NEXT QUESTION. I  
12 HOPE IT IS SELF-EXPLANATORY, BUT YOU NEED TO ANSWER ALL  
13 OF THE APPLICABLE QUESTIONS IN ORDER TO FINISH THIS  
14 PHASE OF THE CASE.

15 AND IN ORDER TO ANSWER ANY OF THESE QUESTIONS,  
16 ALL OF YOU MUST AGREE ON WHAT THE ANSWER OUGHT TO BE,  
17 YOU CAN'T ANSWER A QUESTION IF SOME OF YOU THINK THE  
18 QUESTION SHOULD BE ANSWERED YES AND SOME OF YOU THINK  
19 IT SHOULD BE ANSWERED NO. YOU MUST BE UNANIMOUS IN  
20 DECIDING WHAT THE CORRECT ANSWER IS.

21 AND THERE ARE TWO PRINCIPLES YOU SHOULD KEEP IN  
22 MIND AS YOU BEGIN YOUR DELIBERATIONS. ONE IS THAT YOU  
23 SHOULD EACH APPROACH THE DELIBERATIONS WITH AN OPEN  
24 MIND. AND YOU SHOULD BE PREPARED TO LISTEN TO WHAT  
25 YOUR FELLOW JURORS HAVE TO SAY AND YOU SHOULD BE HUMBLE

1       ENOUGH IF YOU INITIALLY DISAGREE WITH THEM TO CHANGE  
2       YOUR MIND IF YOU BECOME CONVINCED THAT THEY'RE CORRECT  
3       AND YOU ARE INCORRECT.

4               ON THE OTHER HAND, YOU MUST KEEP IN MIND, TOO,  
5       THAT YOU EACH HAVE AN INDEPENDENT RESPONSIBILITY TO  
6       VOTE FOR THE VERDICT OR THE ANSWER THAT YOU BELIEVE IS  
7       THE CORRECT ANSWER BASED ON YOUR UNDERSTANDING OF THE  
8       EVIDENCE AND THE LAW AS I'VE EXPLAINED IT.  AND YOU  
9       MUST HAVE THE COURAGE TO STICK TO YOUR CONVICTIONS, IF,  
10      AFTER LISTENING WITH AN OPEN MIND, TO WHAT THE OTHER  
11      JURORS HAVE TO SAY, YOU REMAIN CONVINCED THAT YOU'RE  
12      CORRECT AND THEY'RE INCORRECT.  SO THOSE TWO PRINCIPLES  
13      MAY SEEM A LITTLE BIT IN CONFLICT, BUT IN MY EXPERIENCE  
14      THE VAST MAJORITY OF JURIES HAS BEEN ABLE TO REACH  
15      UNANIMOUS DECISIONS WITHOUT DOING VIOLENCE TO EITHER OF  
16      THOSE PRINCIPLES AND I'M REASONABLY CONFIDENT YOU WILL  
17      TOO, BUT IF YOU DON'T, WE'LL CROSS THAT BRIDGE WHEN WE  
18      GET TO IT.

19             NOW, WHEN YOU GET TO THE JURY ROOM, THE FIRST  
20      THING THAT YOU SHOULD DO IS SELECT A FOREMAN OR  
21      FORELADY WHO WILL ACT AS YOUR SPOKESPERSON.  AND THAT  
22      MEANS THAT IF IT'S NECESSARY FOR YOU TO COMMUNICATE IN  
23      ANY WAY WITH ME, THE COMMUNICATION SHOULD BE THROUGH  
24      THE FOREMAN OR FORELADY.  AND IT SHOULD BE IN THE FORM  
25      OF A BRIEF NOTE, JUST WRITE A NOTE AS TO WHAT THE



1 QUESTION OR PROBLEM IS, GIVE IT TO THE SECURITY  
2 OFFICER, HE WILL BE OUTSIDE YOUR DOOR, AND HE'LL GIVE  
3 IT TO ME, I'LL DISCUSS IT WITH THE LAWYERS AND I'LL TRY  
4 TO RESPOND AS PROMPTLY AND HELPFULLY AS I CAN, AND I  
5 SHOULD SAY AS PROPERLY AS I CAN. AND I EMPHASIZE THE  
6 WORD PROPERLY, BECAUSE THERE ARE SOME THINGS I CANNOT  
7 DO PROPERLY TO HELP YOU. I'VE TOLD YOU THAT YOU ARE  
8 THE JUDGES OF THE FACTS IN THE CASE AND I CAN'T TELL  
9 YOU WHAT THE FACTS ARE, THAT'S SOMETHING YOU'RE GOING  
10 TO HAVE TO DO ON YOUR OWN.

11 BUT IF THERE IS ANY OTHER WAY THAT I CAN  
12 PROPERLY HELP YOU, I'LL CERTAINLY DO MY BEST TO DO SO.  
13 IT MAY TAKE A WHILE, NOT THAT I EXPECT YOU TO HAVE ANY  
14 QUESTIONS OR PROBLEMS, BUT IF YOU DO IT MAY TAKE A  
15 WHILE FOR ME TO GET BACK TO YOU BECAUSE I HAVE OTHER  
16 MATTERS THAT I'M TRYING TO ATTEND TO WHILE YOU'RE OUT  
17 DELIBERATING.

18 THE FOREMAN OR FORELADY ALSO WILL HAVE THE  
19 RESPONSIBILITY OF COMPLETING AND SIGNING THE  
20 INTERROGATORY FORM WHEN ALL OF THE JURORS HAVE AGREED  
21 ON WHAT THE ANSWERS OUGHT TO BE. AND THAT FORM WILL BE  
22 BROUGHT BACK IN WITH YOU WHEN YOU RETURN TO TELL US  
23 WHAT YOUR ANSWERS ARE. AND THE CLERK WOULD TAKE IT  
24 FROM YOU AT THAT TIME.

25 SO THE FIRST THING YOU SHOULD DO IS SELECT A

1 FOREMAN OR FORELADY AND THE FINAL RESPONSIBILITY THAT  
2 PERSON HAS IS TO ACT AS THE MODERATOR OF YOUR  
3 DELIBERATIONS, TO MAKE SURE THEY ARE CONDUCTED IN AN  
4 ORDERLY WAY AND THAT EVERYONE WHO WANTS A CHANCE TO  
5 EXPRESS HIMSELF OR HERSELF HAS A FAIR CHANCE TO DO  
6 THAT.

7 AS FAR AS YOUR HOURS ARE CONCERNED, I BELIEVE  
8 LUNCH HAS BEEN ORDERED FOR YOU. YOU DON'T HAVE TO  
9 DELIBERATE WHILE YOU'RE EATING IF YOU DON'T WANT TO,  
10 BUT IF YOU WANT TO, YOU CAN. YOUR HOURS WILL BE  
11 BASICALLY WHATEVER YOU WANT THEM TO BE. IF BY THE END  
12 OF THE DAY YOU HAVEN'T REACHED A VERDICT AND YOU WANT  
13 TO GO HOME AND COME BACK TOMORROW, WE CAN DO THAT OR IF  
14 YOU WANT TO STAY LATE, WE CAN ARRANGE THAT, TOO, I'LL  
15 LEAVE THAT UP TO YOU.

16 I MAY HAVE THE CLERK CHECK WITH YOU NEAR THE END  
17 OF THE DAY JUST FOR PLANNING PURPOSES TO FIND OUT WHAT  
18 YOU WOULD LIKE TO DO.

19 KEEP IN MIND THAT IF IT SHOULD BECOME NECESSARY  
20 FOR YOU TO COMMUNICATE IN ANY WAY WITH ME, WE DON'T  
21 WANT TO KNOW WHAT THE STATUS OF YOUR DELIBERATIONS IS,  
22 WE DON'T WANT TO KNOW THAT YOU ARE 6 TO 2 IN FAVOR OF  
23 THIS OR AGAINST THAT, ALL WE WANT TO KNOW IS WHAT YOUR  
24 QUESTION OR PROBLEM IS, AND WE DON'T WANT TO KNOW  
25 ANYTHING ELSE UNTIL YOU HAVE FINALLY REACHED YOUR

1 DECISION.

2 IS THERE ANYTHING ELSE, COUNSEL, BEFORE THE JURY  
3 IS SENT OUT?

4 MR. HAYES: NO, YOUR HONOR.

5 MR. SCHERKENBACH: NO, YOUR HONOR.

6 THE COURT: THE SECURITY OFFICER WILL COME  
7 FORWARD AND THE CLERK WILL ADMINISTER THE OATH.

8 (COURT SECURITY OFFICER SWORN)

9 THE COURT: ALL RIGHT. LADIES AND GENTLEMEN,  
10 THIS CASE IS IN YOUR HANDS, YOU MAY RETURN TO THE JURY  
11 ROOM AND BEGIN YOUR DELIBERATIONS.

12 (JURY EXCUSED - 12:17 P.M.)

13 THE COURT: PLEASE BE SEATED, LADIES AND  
14 GENTLEMEN.

15 COUNSEL, I WOULD LIKE YOU TO REMAIN AROUND THE  
16 COURTROOM FOR THE NEXT 15 MINUTES. MY EXPERIENCE IS  
17 THAT USUALLY IF THERE ARE QUESTIONS, THEY SURFACE  
18 PRETTY RAPIDLY. AFTER THAT, YOU ARE FREE TO GO AS LONG  
19 AS YOU CAN PROVIDE THE CLERK WITH A TELEPHONE NUMBER  
20 WHERE YOU CAN BE IMMEDIATELY REACHED, AND YOU CAN  
21 ASSURE ME THAT YOU WILL RETURN WITHIN TEN MINUTES OF  
22 BEING CALLED BY THE CLERK.

23 MR. HAYES: CAN I HAVE A QUESTION, JUDGE?

24 THE COURT: YES.

25 MR. HAYES: OH. I CAN'T EVEN GET IT OUT WITHOUT

1 BEING TOLD SOMETHING. I ASSUME, THEY HAVE THE  
2 EXHIBITS; RIGHT?

3 THE COURT: THEY WILL HAVE. THEY HAVE THEM NOW  
4 OR THEY WILL HAVE THEM.

5 HAVE THE EXHIBITS GONE IN WITH THEM YET?

6 THE CLERK: NO.

7 THE COURT: I WOULD LIKE YOU TO CHECK OVER THE  
8 EXHIBITS JUST TO DOUBLE-CHECK, MAKE SURE THAT  
9 EVERYTHING THE CLERK IS PROPOSING TO SEND IN IS  
10 PROPERLY --

11 MR. HAYES: RIGHT, RIGHT. AND THE OTHER THING  
12 IS I DON'T THINK THERE IS ANY NEED FOR ANY  
13 DEMONSTRATIVES, THERE ARE TOO MANY OF THEM.

14 THE COURT: WELL, THE DEMONSTRATIVES WOULD NOT  
15 GO IN ANYWAY.

16 MR. HAYES: RIGHT. SO WE'LL -- WHO IS CRONIN  
17 GOING TO CHECK THE EXHIBITS WITH? WITH YOU?

18 THE CLERK: I'M WAITING FOR JUDY TO RETURN ME A  
19 LIST.

20 MR. HAYES: OKAY. THANK YOU, VERY MUCH, YOUR  
21 HONOR.

22 THE COURT: COURT WILL BE IN RECESS.

23 (JURY DELIBERATION BEGINS 12:19 P.M.)

24 (ADJOURNED)

25